



# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

## ***TESTIMONY PRESENTED TO THE TRANSPORTATION COMMITTEE***

***February 25, 2015***

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*Secretary*

*Office of Policy and Management*

Testimony Regarding H.J. No. 63 and HB 6857

H.J. No. 63 - RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO PROTECT  
TRANSPORTATION FUNDS

HB 6857 - AN ACT PROTECTING TRANSPORTATION FUNDS

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Senator Maynard, Representative Guerrera, Senator Boucher, Representative O'Dea, and distinguished members of the Transportation Committee, thank you for the opportunity to offer testimony on H.J. No. 63, RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO PROTECT TRANSPORTATION FUNDS, as well as on HB 6857, AN ACT PROTECTING TRANSPORTATION FUNDS.

The resolution would propose a constitutional amendment that would limit the use of the resources of the Special Transportation Fund (STF) for transportation purposes only, while also establishing the STF as a perpetual fund and requiring that all sources of funds required to be deposited into the STF continue. It would also prohibit the General Assembly from enacting any law authorizing the resources of the STF to be expended for anything other than transportation purposes.

Governor Malloy recognizes that the earliest the proposed constitutional amendment could be enacted would be following the 2016 elections. In the interim, the Governor has proposed accompanying legislation to mirror the protections that would be in place with the constitutional amendment. This legislation also addresses a concern that has been raised by members of this Committee: it would ensure that should a future legislature establish a new revenue stream that is currently not collected by the state, those new revenues could be designated for transportation, deposited into the STF and could only be used for transportation purposes.

Implementation of these protections for the STF are necessary in order to continue a discussion the Governor began last month about the pressing needs of our

transportation system. The Governor believes that we must ensure that future Governors and legislatures do not redirect revenues dedicated to the STF, and that is why the language proposed by the Governor does not include an override provision or an escape hatch.

At the same time, I want to make sure that no one is led to believe that simply instituting constitutional protections for current revenues will ensure we have enough funding to carry out the projects and operations necessary to ensure safe and reliable passage of goods and the traveling public. As a result of increasing CAFE standards at the federal level, and a decline in vehicle-miles-travelled by the average Connecticut driver, motor fuel taxes are a dwindling source of funding for our transportation system. In addition, similar to the federal government, Connecticut has relied upon General Fund transfers to the STF for many years due to inadequate funds from traditional sources of revenue that are deposited into the STF.

As I indicated during my presentation to the Appropriations Committee last week, the STF will begin to see operating deficits in FY 2018, and in FY 2020 the STF will be completely depleted. These deficits are projected based on current expenditures, and do not take into account the expanded capital program proposed in the Governor's budget. Irrespective of whether the General Assembly and the citizens of Connecticut decide they are ready to pursue some or all of the transportation vision proposed by the Governor last week, the structural deficiencies of the STF must be addressed.

The Governor and my office look forward to working with the legislature to ensure that secure protections are in place to ensure that all revenues raised for transportation are spent on transportation, and to continue to have an honest and open discussion about our transportation future.

Thank you for your consideration and I would be happy to answer any questions you may have.